EXHIBIT B

Tesla Inc TSLA (NAS) | ★

Last Price	Fair Value	Uncertainty	Economic Moat™	Moat Trend™	Stewardship	Industry Group
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

Musk Tweets Tesla May Go Private at $420 a Share but Stockholders May Not Have to Sell at That Price

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Important Disclosure

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The primary analyst covering this company does not own its stock.

Research as of 07 Aug 2018
Estimates as of 01 Aug 2018
Pricing data through 06 Aug 2018 00:00
Rating updated as of 06 Aug 2018 00:00

Currency amounts expressed with "$" are in U.S. dollars (USD) unless otherwise denoted.

Contents

Analyst Note 07 Aug 2018

Tesla CEO Elon Musk tweeted around midday on Aug. 7 the following: "Am considering taking Tesla private at $420. Funding Secured." A buyout price of $420 per share would be for about $71.6 billion based on the July 27 outstanding share count of 170.6 million in the latest 10-Q filing, though it's unclear if Musk's roughly 22% ownership stake would be part of the deal or just converted into equity of a new private company. If a deal is announced and we think its execution is more likely than not, we will raise our fair value estimate to the deal price, but for now we are leaving our fair value estimate of $179 in place.

We find it odd that Musk would disclose that he is considering doing a deal and specifying a price rather than not saying anything until Tesla actually announces it is going private. It is possible that he wants to hurt short sellers of Tesla now. He has been very vocal against them recently, including posting a satire video on Twitter on Aug. 5. We think it is also possible that he wants to get a price higher than $420, else we would expect him to simply announce he is considering going private with funding secured and leave the $420 number out of the tweet. We speculate that the funding comes mostly from tech investors, such as possibly SoftBank or Tencent (the latter bought 5% of Tesla in 2017), sovereign wealth funds, and wealthy Silicon Valley investors.

We understand why Musk would want to go private. Rolling Stone in November quoted him saying, "I wish we could be private with Tesla. It actually makes us less efficient to be a public company." Tesla is still in its early stages of growth, and we think Musk would prefer to grow the company without having to check in with Wall Street every quarter. He probably instead wants investors who are there for the long run. An Aug. 7 Musk tweet said he would create a special-purpose fund allowing any Tesla investor to remain

Vital Statistics

Market Cap (USD Mil)	58,068
52-Week High (USD)	389.61
52-Week Low (USD)	244.59
52-Week Total Return %	-4.2
YTD Total Return %	9.8
Last Fiscal Year End	31 Dec 2017
5-Yr Forward Revenue CAGR %	33.0
5-Yr Forward EPS CAGR %	—
Price/Fair Value	1.91

Valuation Summary and Forecasts

Fiscal Year:	2016	2017	*2018(E)*	*2019(E)*
Price/Earnings	NM	NM	*NM*	*95.0*
EV/EBITDA	115.2	—	*136.2*	*24.3*
EV/EBIT	NM	—	*NM*	*NM*
Free Cash Flow Yield %	-1.8	—	*-3.2*	*0.0*
Dividend Yield %	—	—	—	—

Financial Summary and Forecasts (USD Mil)

Fiscal Year:	2016	2017	*2018(E)*	*2019(E)*
Revenue	7,000	11,759	*21,009*	*28,775*
Revenue YoY %	73.0	68.0	*78.7*	*37.0*
EBIT	-652	-1,632	*-1,405*	*-150*
EBIT YoY %	-9.1	150.5	*-13.9*	*-89.3*
Net Income, Adjusted	-414	-1,436	*-797*	*646*
Net Income YoY %	-40.1	247.0	*-44.5*	*-181.1*
Diluted EPS	-2.87	-8.66	*-4.69*	*3.60*
Diluted EPS YoY %	-46.8	201.9	*-45.9*	*-176.7*
Free Cash Flow	-916	-3,697	*-2,041*	*-603*
Free Cash Flow YoY %	-46.4	303.7	*-44.8*	*-70.5*

Historical/forecast data sources are Morningstar Estimates and may reflect adjustments.
Analyst Note: Operating income includes stock based comp expense but EPS excludes stock option expense.

Profile

Founded in 2003 and based in Palo Alto, California, Tesla is a vertically integrated sustainable energy company that also aims to transition the world to electric mobility by making electric vehicles. It sells solar panels and solar roofs for energy generation plus batteries for stationary storage for residential and commercial properties including utilities. The Tesla Roadster debuted in 2008, Model S in 2012, Model X in 2015, and Model 3 in 2017. Global deliveries in 2017 were 103,184 units. Tesla went public in 2010 and employs about 40,000 people.

Tesla Inc TSLA (NAS) | ★

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an owner or to sell at $420.

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Morningstar Analyst Forecasts

Financial Summary and Forecasts

Fiscal Year Ends in December

Growth (% YoY)	3-Year Hist. CAGR	2015	2016	2017	*2018* (Forecast)	*2019* (Forecast)	*5-Year Proj. CAGR* (Forecast)
Revenue	*48.4*	12.4	73.0	68.0	*78.7*	*37.0*	*33.0*
EBIT	—	589.0	-9.1	150.5	*-13.9*	*-89.3*	—
EBITDA	*-68.7*	-329.9	-200.5	-98.7	*12,301.8*	*461.4*	*334.8*
Net Income	*-517.0*	-3,590.1	-40.1	247.0	*-44.5*	*-181.1*	—
Diluted EPS	*-496.3*	-3,971.8	-46.8	201.9	*-45.9*	*-176.7*	—
Earnings Before Interest, after Tax	—	562.6	-5.1	83.8	*36.1*	*-89.3*	—
Free Cash Flow	—	58.8	-46.4	303.7	*-44.8*	*-70.5*	—

Profitability	3-Year Hist. Avg	2015	2016	2017	*2018*	*2019*	*5-Year Proj. Avg*
Operating Margin %	*-13.6*	-17.7	-9.3	-13.9	*-6.7*	*-0.5*	*-0.1*
EBITDA Margin %	*-1.0*	-7.3	4.2	0.0	*2.3*	*9.5*	*10.5*
Net Margin %	*-11.7*	-17.1	-5.9	-12.2	*-3.8*	*2.3*	*2.6*
Free Cash Flow Margin %	*-28.9*	-42.2	-13.1	-31.4	*-9.7*	*-2.1*	*-0.8*
ROIC %	*-11.1*	-18.4	-6.1	-8.8	*-6.1*	*-0.1*	*1.7*
Adjusted ROIC %	*-11.1*	-18.4	-6.1	-8.8	*-6.1*	*-0.1*	*1.7*
Return on Assets %	*-8.7*	-13.4	-5.0	-7.6	*-5.9*	*-1.7*	*-0.8*
Return on Equity %	*-49.2*	-78.1	-25.9	-43.6	*-48.3*	*-15.6*	*-6.5*

Leverage	3-Year Hist. Avg	2015	2016	2017	*2018*	*2019*	*5-Year Proj. Avg*
Debt/Capital	*0.67*	0.70	0.60	0.71	*0.80*	*0.75*	*0.75*
Total Debt/EBITDA	*882.81*	-9.01	24.09	2,633.36	*21.65*	*4.59*	*6.60*
EBITDA/Interest Expense	*-0.33*	-2.47	1.49	0.01	*0.78*	*4.36*	*6.43*

Valuation Summary and Forecasts

	2016	2017	*2018(E)*	*2019(E)*
Price/Fair Value	1.21	1.53	—	—
Price/Earnings	NM	NM	*NM*	*95.0*
EV/EBITDA	115.2	—	*136.2*	*24.3*
EV/EBIT	NM	—	*NM*	*NM*
Free Cash Flow Yield %	-1.8	—	*-3.2*	*0.0*
Dividend Yield %	—	—	—	—

Key Valuation Drivers

Cost of Equity %	11.0
Pre-Tax Cost of Debt %	8.0
Weighted Average Cost of Capital %	9.9
Long-Run Tax Rate %	20.0
Stage II EBI Growth Rate %	11.5
Stage II Investment Rate %	57.5
Perpetuity Year	11

Additional estimates and scenarios available for download at http://select.morningstar.com.

Discounted Cash Flow Valuation

	USD Mil	Firm Value (%)	Per Share Value
Present Value Stage I	4,363	13.4	25.66
Present Value Stage II	1,021	3.1	6.00
Present Value Stage III	27,120	83.4	159.53
Total Firm Value	**32,504**	**100.0**	**191.20**
Cash and Equivalents	3,368	—	19.81
Debt	-10,315	—	-60.68
Preferred Stock	—	—	—
Other Adjustments	3,082	—	18.13
Equity Value	**28,638**	**—**	**168.46**
Projected Diluted Shares	170		
Fair Value per Share (USD)	**179.00**		

The data in the table above represent base-case forecasts in the company's reporting currency as of the beginning of the current year. Our fair value estimate may differ from the equity value per share shown above due to our time value of money adjustment and in cases where probability-weighted scenario analysis is performed.

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Morningstar Analyst Forecasts

Income Statement (USD Mil)
Fiscal Year Ends in December

				Forecast	
	2015	2016	2017	*2018*	*2019*
Revenue	**4,046**	**7,000**	**11,759**	***21,009***	***28,775***
Cost of Goods Sold	3,103	5,370	9,492	*16,395*	*21,172*
Gross Profit	**943**	**1,630**	**2,266**	***4,614***	***7,603***
Selling, General & Administrative Expenses	833	1,267	2,271	*3,015*	*3,725*
Research & Development	629	680	1,160	*2,059*	*2,734*
Employee Compensation & Benefits	198	334	467	*945*	*1,295*
Depreciation & Amortization (if reported separately)	—	—	—	—	—
Operating Income (ex charges)	**-717**	**-652**	**-1,632**	***-1,405***	***-150***
Restructuring & Other Cash Charges	—	16	—	—	—
Impairment Charges (if reported separately)	—	—	—	—	—
Other Non-Cash (Income)/Charges	—	—	—	—	—
Operating Income (incl charges)	**-717**	**-667**	**-1,632**	***-1,405***	***-150***
Interest Expense	119	199	471	*620*	*626*
Interest Income	2	9	20	*5*	*5*
Pre-Tax Income	**-834**	**-858**	**-2,084**	***-2,020***	***-771***
Income Tax Expense	13	27	32	*-202*	*-77*
Other After-Tax Cash Gains (Losses)	—	—	—	—	—
Other After-Tax Non-Cash Gains (Losses)	-42	121	154	*170*	*175*
(Minority Interest)	—	—	—	—	—
(Preferred Dividends)	—	—	—	—	—
Net Income	**-889**	**-764**	**-1,961**	***-1,648***	***-519***
Weighted Average Diluted Shares Outstanding	128	144	166	*170*	*180*
Diluted Earnings Per Share	**-6.93**	**-5.30**	**-11.83**	***-9.69***	***-2.89***
Adjusted Net Income	-691	-414	-1,436	*-797*	*646*
Diluted Earnings Per Share (Adjusted)	**-5.39**	**-2.87**	**-8.66**	***-4.69***	***3.60***
Dividends Per Common Share	—	—	—	—	—
EBITDA	**-294**	**280**	**4**	***486***	***2,727***
Adjusted EBITDA	**-294**	**296**	**4**	***486***	***2,727***

Tesla Inc TSLA (NAS) | ★

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Morningstar Analyst Forecasts

Balance Sheet (USD Mil)

Fiscal Year Ends in December	2015	2016	2017	*Forecast 2018*	*Forecast 2019*
Cash and Equivalents	1,197	3,393	3,368	*1,116*	*4,108*
Investments	—	—	—	—	—
Accounts Receivable	169	499	515	*1,151*	*1,577*
Inventory	1,278	2,067	2,264	*4,043*	*5,220*
Deferred Tax Assets (Current)	—	—	—	—	—
Other Short Term Assets	170	568	865	*865*	*865*
Current Assets	**2,814**	**6,528**	**7,012**	***7,175***	***11,770***
Net Property Plant, and Equipment	3,403	11,903	16,375	*16,964*	*18,117*
Goodwill	—	—	60	*120*	*180*
Other Intangibles	13	376	362	*367*	*372*
Deferred Tax Assets (Long-Term)	—	—	—	—	—
Other Long-Term Operating Assets	1,791	3,134	4,117	*1,528*	*1,681*
Long-Term Non-Operating Assets	47	723	730	*900*	*1,075*
Total Assets	**8,068**	**22,664**	**28,655**	***27,054***	***33,195***
Accounts Payable	916	1,860	2,390	*4,267*	*5,510*
Short-Term Debt	628	1,150	897	*1,100*	*1,100*
Deferred Tax Liabilities (Current)	—	—	—	—	—
Other Short-Term Liabilities	1,267	2,817	4,388	*4,478*	*5,374*
Current Liabilities	**2,811**	**5,827**	**7,675**	***9,845***	***11,984***
Long-Term Debt	2,021	5,970	9,418	*9,418*	*11,418*
Deferred Tax Liabilities (Long-Term)	—	—	—	—	—
Other Long-Term Operating Liabilities	1,740	3,062	3,487	*1,224*	*1,591*
Long-Term Non-Operating Liabilities	365	1,891	2,443	*2,443*	*2,443*
Total Liabilities	**6,937**	**16,750**	**23,023**	***22,930***	***27,436***
Preferred Stock	—	—	—	—	—
Common Stock	0	0	0	*0*	*0*
Additional Paid-in Capital	3,409	7,774	9,178	*9,178*	*11,178*
Retained Earnings (Deficit)	-2,322	-2,997	-4,974	*-6,622*	*-7,141*
(Treasury Stock)	—	—	—	—	—
Other Equity	44	-15	33	*33*	*33*
Shareholder's Equity	**1,131**	**4,762**	**4,237**	***2,589***	***4,070***
Minority Interest	—	1,152	1,395	*1,535*	*1,688*
Total Equity	**1,131**	**5,914**	**5,632**	***4,124***	***5,758***

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Morningstar Analyst Forecasts

Cash Flow (USD Mil)

Fiscal Year Ends in December	2015	2016	2017	*Forecast* 2018	*Forecast* 2019
Net Income	-889	-773	-2,241	*-1,648*	*-519*
Depreciation	423	947	1,636	*1,891*	*2,877*
Amortization	—	—	—	—	—
Stock-Based Compensation	198	334	467	*945*	*1,295*
Impairment of Goodwill	—	—	—	—	—
Impairment of Other Intangibles	—	—	—	—	—
Deferred Taxes	—	—	—	—	—
Other Non-Cash Adjustments	237	62	574	*-170*	*-175*
(Increase) Decrease in Accounts Receivable	46	-217	-25	*-636*	*-426*
(Increase) Decrease in Inventory	-1,574	-2,466	-1,701	*-1,779*	*-1,178*
Change in Other Short-Term Assets	-54	7	-88	*5*	*5*
Increase (Decrease) in Accounts Payable	263	751	388	*1,877*	*1,243*
Change in Other Short-Term Liabilities	1,394	2,000	1,440	*90*	*896*
Cash From Operations	**44**	**646**	**451**	***576***	***4,019***
(Capital Expenditures)	-1,635	-1,281	-3,415	*-2,450*	*-4,000*
Net (Acquisitions), Asset Sales, and Disposals	-12	214	-115	*-100*	*-100*
Net Sales (Purchases) of Investments	—	17	—	—	—
Other Investing Cash Flows	-26	-366	-890	*325*	*214*
Cash From Investing	**-1,674**	**-1,416**	**-4,419**	***-2,225***	***-3,886***
Common Stock Issuance (or Repurchase)	750	1,702	400	—	*2,000*
Common Stock (Dividends)	—	—	—	—	—
Short-Term Debt Issuance (or Retirement)	—	—	—	*203*	—
Long-Term Debt Issuance (or Retirement)	319	2,853	7,138	—	*2,000*
Other Financing Cash Flows	-114	-1,580	-3,635	*-806*	*-1,141*
Cash From Financing	**955**	**2,974**	**3,904**	***-602***	***2,859***
Exchange Rates, Discontinued Ops, etc. (net)	-34	-7	39	—	—
Net Change in Cash	**-709**	**2,196**	**-25**	***-2,252***	***2,992***

Research Methodology for Valuing Companies

Overview

At the heart of our valuation system is a detailed projection of a company's future cash flows, resulting from our analysts' research. Analysts create custom industry and company assumptions to feed income statement, balance sheet, and capital investment assumptions into our globally standardized, proprietary discounted cash flow, or DCF, modeling templates. We use scenario analysis, in-depth competitive advantage analysis, and a variety of other analytical tools to augment this process. Moreover, we think analyzing valuation through discounted cash flows presents a better lens for viewing cyclical companies, high-growth firms, businesses with finite lives (e.g., mines), or companies expected to generate negative earnings over the next few years. That said, we don't dismiss multiples altogether but rather use them as supporting cross-checks for our DCF-based fair value estimates. We also acknowledge that DCF models offer their own challenges (including a potential proliferation of estimated inputs and the possibility that the method may miss short-term market-price movements), but we believe these negatives are mitigated by deep analysis and our long-term approach.

Morningstar's equity research group ("we", "our") believes that a company's intrinsic worth results from the future cash flows it can generate. The Morningstar Rating for stocks identifies stocks trading at a discount or premium to their intrinsic worth—or fair value estimate, in Morningstar terminology. Five-star stocks sell for the biggest risk-adjusted discount to their fair values, whereas 1-star stocks trade at premiums to their intrinsic worth.

Four key components drive the Morningstar rating: (1) our assessment of the firm's economic moat, (2) our estimate of the stock's fair value, (3) our uncertainty around that fair value estimate and (4) the current market price. This process ultimately culminates in our single-point star rating.

1. Economic Moat

The concept of an economic moat plays a vital role not only in our qualitative assessment of a firm's long-term investment potential, but also in the actual calculation of our fair value estimates. An economic moat is a structural feature that allows a firm to sustain excess profits over a long period of time. We define economic profits as returns on invested capital (or ROIC) over and above our estimate of a firm's cost of capital, or weighted average cost of capital (or WACC). Without a moat, profits are more susceptible to competition. We have identified five sources of economic moats: intangible assets, switching costs, network effect, cost advantage, and efficient scale.

Companies with a narrow moat are those we believe are more likely than not to achieve normalized excess returns for at least the next 10 years. Wide-moat companies are those in which we have very high confidence that excess returns will remain for 10 years, with excess returns more likely than not to remain for at least 20 years. The longer a firm generates economic profits, the higher its intrinsic value. We believe low-quality, no-moat companies will see their normalized returns gravitate toward the firm's cost of capital more quickly than companies with moats.

To assess the sustainability of excess profits, analysts perform ongoing assessments of the moat trend. A firm's moat trend is positive in cases where we think its sources of competitive advantage are growing stronger; stable where we don't anticipate changes to competitive advantages over the next several years; or negative when we see signs of deterioration.

2. Estimated Fair Value

Combining our analysts' financial forecasts with the firm's economic moat helps us assess how long returns on invested capital are likely to exceed the firm's cost of capital. Returns of firms with a wide economic moat rating are assumed to fade to the perpetuity period over a longer period of time than the returns of narrow-moat firms, and both will fade slower than no-moat firms, increasing our estimate of their intrinsic value.

Our model is divided into three distinct stages:

Stage I: Explicit Forecast

In this stage, which can last five to 10 years, analysts make full financial statement forecasts, including items such as revenue, profit margins, tax rates, changes in working-capital accounts, and capital spending. Based on these projections, we calculate earnings before interest, after taxes (EBI) and the net new investment (NNI) to derive our annual free cash flow forecast.

Stage II: Fade

The second stage of our model is the period it will take the company's return on new invested capital—the return on capital of the next dollar invested ("RONIC")—to decline (or rise) to its cost of capital. During the Stage II period, we use a formula to approximate cash flows in lieu of explicitly modeling the income statement, balance sheet, and cash flow statement as we do in Stage I. The length of the second stage depends on the strength of the company's economic moat. We forecast this period to last anywhere from one year (for companies with no economic moat) to 10–15 years or more (for wide-moat companies). During this period, cash flows are forecast using four assumptions: an average growth rate for EBI over the period, a normalized investment rate, average return on new invested capital (RONIC), and the number of years until perpetuity, when excess returns cease. The investment rate and return on new invested capital decline until a perpetuity value is calculated. In the case of firms that do not earn their cost of capital, we assume marginal ROICs rise to the firm's cost of capital (usually attributable to less reinvestment), and we may truncate the second stage.

Stage III: Perpetuity

Once a company's marginal ROIC hits its cost of capital, we calculate a continuing value, using a standard perpetuity formula. At perpetuity, we assume that any growth or decline or investment in the business neither creates nor destroys value and that any new investment provides a return in line with estimated WACC.

Because a dollar earned today is worth more than a dollar earned tomorrow, we discount our projections of cash flows in stages I, II, and III to arrive at a total pres-

Morningstar Research Methodology for Valuing Companies

Economic Moat
Financial Health
Stewardship
Uncertainty
Moat Trend

→ **Morningstar Fair Value** →

Margin of Safety
Market Pricing

→ **Morningstar Rating™ For Stocks** ★★★★★

ent value of expected future cash flows. Because we are modeling free cash flow to the firm—representing cash available to provide a return to all capital providers—we discount future cash flows using the WACC, which is a weighted average of the costs of equity, debt, and preferred stock (and any other funding sources), using expected future proportionate long-term, market-value weights.

3. Uncertainty around that fair value estimate

Morningstar's Uncertainty Rating captures a range of likely potential intrinsic values for a company and uses it to assign the margin of safety required before investing, which in turn explicitly drives our stock star rating system. The Uncertainty Rating represents the analysts' ability to bound the estimated value of the shares in a company around the Fair Value Estimate, based on the characteristics of the business underlying the stock, including operating and financial leverage, sales sensitivity to the overall economy, product concentration, pricing power, and other company-specific factors.

Analysts consider at least two scenarios in addition to their base case: a bull case and a bear case. Assumptions are chosen such that the analyst believes there is a 25% probability that the company will perform better than the bull case, and a 25% probability that the company will perform worse than the bear case. The distance between the bull and bear cases is an important indicator of the uncertainty underlying the fair value estimate.

Our recommended margin of safety widens as our uncertainty of the estimated value of the equity increases. The more uncertain we are about the estimated value of the equity, the greater the discount we require relative to our estimate of the value of the firm before we would recommend the purchase of the shares. In addition, the uncertainty rating provides guidance in portfolio construction based on risk tolerance.

Our uncertainty ratings for our qualitative analysis are low, medium, high, very high, and extreme.

- **Low:** margin of safety for 5-star rating is a 20% discount and for 1-star rating is 25% premium.
- **Medium:** margin of safety for 5-star rating is a 30% discount and for 1-star rating is 35% premium.
- **High:** margin of safety for 5-star rating is a 40% discount and for 1-star rating is 55% premium.
- **Very High:** margin of safety for 5-star rating is a 50% discount and for 1-star rating is 75% premium.
- **Extreme:** Stock's uncertainty exceeds the parameters we have set for assigning the appropriate margin of safety.

4. Market Price

The market prices used in this analysis and noted in the report come from exchange on which the stock is listed which we believe is a reliable source.

For more detail information about our methodology, please go to http://global.morningstar.com/equitydisclosures

Morningstar Star Rating for Stocks

Once we determine the fair value estimate of a stock, we compare it with the stock's current market price on a daily basis, and the star rating is automatically re-calculated at the market close on every day the market on which the stock is listed is open. Our analysts keep close tabs on the companies they follow, and, based on thorough and ongoing analysis, raise or lower their fair value estimates as warranted.

Please note, there is no predefined distribution of stars. That is, the percentage of stocks that earn 5 stars can fluctuate daily, so the star ratings, in the aggregate, can serve as a gauge of the broader market's valuation. When there are many 5-star stocks, the stock market as a whole is more undervalued, in our opinion, than when very few companies garner our highest rating.

We expect that if our base-case assumptions are true the market price will converge on our fair value estimate over time, generally within three years (although it is impossible to predict the exact time frame in which market prices may adjust).

Our star ratings are guideposts to a broad audience and individuals must consider their own specific investment goals, risk tolerance, tax situation, time horizon, income needs, and complete investment portfolio, among other factors.

The Morningstar Star Ratings for stocks are defined below:

Five Stars ★★★★★

We believe appreciation beyond a fair risk-adjusted return is highly likely over a multiyear time frame. Scenario analysis developed by our analysts indicates that the current market price represents an excessively pessimistic outlook, limiting downside risk and maximizing upside potential.

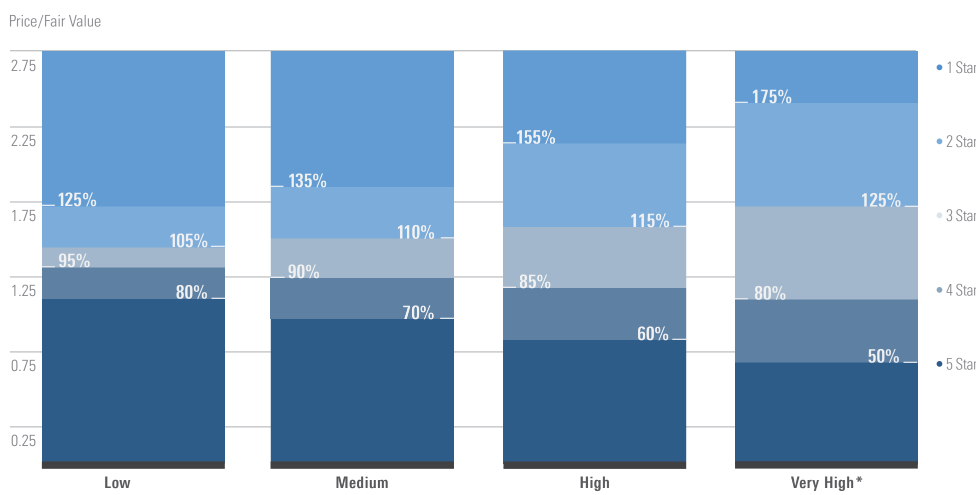
Four Stars ★★★★

We believe appreciation beyond a fair risk-adjusted return is likely.

Three Stars ★★★

Indicates our belief that investors are likely to receive a fair risk-adjusted return (approximately cost of equity).

Morningstar Research Methodology for Valuing Companies



* Occasionally a stock's uncertainty will be too high for us to estimate, in which case we label it Extreme.

Research Methodology for Valuing Companies

Two Stars ★★
We believe investors are likely to receive a less than fair risk-adjusted return.

One Star ★
Indicates a high probability of undesirable risk-adjusted returns from the current market price over a multiyear time frame, based on our analysis. Scenario analysis by our analysts indicates that the market is pricing in an excessively optimistic outlook, limiting upside potential and leaving the investor exposed to Capital loss.

Other Definitions:

Last Price: Price of the stock as of the close of the market of the last trading day before date of the report.

Stewardship Rating: Represents our assessment of management's stewardship of shareholder capital, with particular emphasis on capital allocation decisions. Analysts consider companies' investment strategy and valuation, financial leverage, dividend and share buyback policies, execution, compensation, related party transactions, and accounting practices. Corporate governance practices are only considered if they've had a demonstrated impact on shareholder value. Analysts assign one of three ratings: "Exemplary," "Standard," and "Poor." Analysts judge stewardship from an equity holder's perspective. Ratings are determined on an absolute basis. Most companies will receive a Standard rating, and this is the default rating in the absence of evidence that managers have made exceptionally strong or poor capital allocation decisions.

Quantitative Valuation: Using the below terms, intended to denote the relationship between the security's Last Price and Morningstar's quantitative fair value estimate for that security.

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- ► **Farily Valued:** Last Price is in line with Morningstar's quantitative fair value estimate.
- ► **Overvalued:** Last Price is above Morningstar's quantitative fair value estimate.

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Tesla Inc TSLA (NAS) | ★

Last Price	**Fair Value**	**Uncertainty**	**Economic Moat™**	**Moat Trend™**	**Stewardship**	**Industry Group**
341.99 USD	179.00 USD	Very High	None	Positive	Standard	Autos

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